



**2020**  
*Happy New Year*

From The Chairman, Executive Council & Staff  
The Ceylon National Chamber of Industries - CNCI

## End of a decade

**Page 04** ➔

### Sri Lanka's inflation ends at 4.8-pct in 2019

**Page 03** ➔

**SAARC Symposium to commemorate 35th SAARC Charter Day**

**Page 01 & 02** ➔

- ### CNCI Office Bearers
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### LAUGFS Gas clinches Gold at CA Sri Lanka's 55th Annual Report

**Page 05** ➔



### NPC launches international conference on 'Resource Efficiency and Circular Economy'

**Page 06** ➔



### IMPORTANT SEMINAR CONDUCTED BY CNCI

**Page 07** ➔

### EXCHANGE RATES AND ECONOMIC INDICATORS AS AT 31ST DECEMBER 2019

**Page 08** ➔



# SAARC Symposium to commemorate 35th SAARC Charter Day



**SAARC CCI leaders with Minister of Foreign Affairs Dinesh Gunawardane, and diplomats of SAARC countries**

## • Strengthening regionalism through socio-economic integration

SAARC Charter Day is an event held in December every year commemorating the signing of the Charter of South Asian Association for Regional Cooperation (SAARC) on 8 December 1985, 35 years ago. Therefore, in commemoration of the 35th anniversary of SAARC Charter, a SAARC Symposium, themed 'Strengthening Regionalism through Socioeconomic Integration', was held in Colombo, on 10 December.

The Symposium was organised by the SAARC Chamber of Commerce and Industry (SAARC CCI) in partnership with the Friedrich Naumann Foundation for Freedom (FNF) and in collaboration with the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL).

The purpose of the event was to rejuvenate the spirit of SAARC Charter, enhance awareness on the mission and vision of SAARC within the region and beyond, and to discuss the prospects, potentials and challenges existing in the region.

Minister of Foreign Affairs in Sri Lanka Dinesh Gunawardane graced the occasion as the chief guest of the event. Ambassador of Afghanistan to Sri Lanka Mohammed Ashraf Haidari, High Commissioner of Bangladesh to Sri Lanka M. Riaz Hamidullah, High Commission of India in Sri Lanka Third Secretary Sanjana Arya, SAARC CCI and FCCISL President Ruwan Edirisinghe, SAARC CCI Past President Macky Hashim, Ministry of Tourism and Aviation Secretary Marina Mohamed, FCCISL Senior Vice President and SAARC Chamber Women Entrepreneurs Council (SCWEC) Vice Chair Shirley Jayawardane, SAARC CCI Vice President (Sri Lanka) and APTA Chamber of Commerce and Industry President Designate Dr. Rohitha Silva, FCCISL Vice President Keerthi Gunawardane, Confederation of Micro, Small and Medium Industries (COSMI) Founder President and SAARC CCI Executive Committee Member Nawas Rajabdeen, Chinese officials of Yunnan Commercial Representative Office in Sri Lanka, officials of UN agencies, officials of Government of Sri Lanka, academics and thinktanks, members of SCWEC, national and regional chamber leaders, and corporate leaders in Sri Lanka attended the event. In fact, over 120 participants took part in celebrating the 35th anniversary of SAARC Charter.

Minister of Foreign Affairs Dinesh Gunawardane stated that the SAARC Charter is a historic document that marked the beginning of change in the lives of people in South Asia. He emphasised that Asia is the emerging power centre in the global economy. He described that foreign policy of the Sri Lankan Government has been neutral and nonaligned, and the relationships of Sri Lanka with the South Asian countries create the core elements of Sri Lanka foreign policy. He emphasised that whilst improving trade and commerce between SAARC nations, the security perspective in the region is undeniable.

SAARC CCI and FCCISL President Ruwan Edirisinghe addressing the gathering, emphasised that it is important to invest more on research and development with a focus on high tech products. He added that India and Bangladesh have been economically performing better in the region with technological advancements.

He stated that South Asia, because of its geo-economic location, has been playing a pivotal role in the global economic development process whilst emphasising that South Asia is one of the fast growing economies in the world having numerous untapped natural resources and a well-educated young labour force. He urged the South Asian governments to support the private sector in developing the economies of SAARC countries. He wished that with all the hard work of private sector along with the public sector, the economic status of South Asian countries would be lifted to the status of developed from the developing status within the lifetime of current economic leaders.

Ambassador of Afghanistan to Sri Lanka Mohammed Ashraf Haidari articulated that Afghanistan strongly advocate strengthening economic cooperation in South Asia as oppose to conformational policies between SAARC nations. He added that SAARC countries should change the status quo of the region in terms of intraregional trade and commerce improving shared prosperity among the promising countries in South Asia.

He mentioned that the connectivity between SAARC countries should be enhanced, for instance, it is expected to establish direct passenger and cargo flight services between Colombo in Sri Lanka and Kabul in Afghanistan. Whilst emphasising the importance of maintaining peace and security in the region, he elaborated the importance of enhancing connectivity and relations among South Asian nations in terms of trade, commerce, education, technology, tourism and culture.

High Commissioner of Bangladesh to Sri Lanka M. Riaz Hamidullah stated that SAARC is now 35 years of age and no longer a child, however, he emphasised, SAARC is not moving and functioning properly but rather stagnant. He explained that one cannot blame only the governments for the situation, but civil society and private sector in the region are also responsible for the status quo of SAARC.

He described that SAARC Development Fund has approximately \$ 400 million and under three windows, i.e. economic, social and infrastructure, the funds are granted to projects. However, he emphasised that the funds are not effectively being used by the private sector and civil society in the region despite the availability of the funds. He further added that bilateral agreements between South Asian countries have been more into goods with minimum focus on services linkages despite services are the emerging sector in the economies of SAARC countries.





He stated that in terms of socioeconomic integration, enhancing connectivity among universities in South Asia and beyond is extremely important. He added that in this regard, conformity assessment and mutual recognition of academic and professional degree programmes in South Asia are significant.

He emphasised that integration of services sectors of SAAR countries is fundamental in terms of regional socioeconomic integration and cooperation.

SAARC CCI Vice President (Sri Lanka) and APTA Chamber of Commerce and Industry President Designate Dr. Rohitha Silva mentioned the importance of improving connectivity of air transport between SAARC countries, enhancing tourism with a focus on Ayurveda, yoga and meditation, mitigating environment pollution and protecting ecosystems, and youth development in South Asia.

He added that in this regard the emerging eight economies of SAARC along with its nine observers, including China, Australia, European Union, Japan, South Korea, and United States, have major roles to play.

Ministry of Tourism and Aviation Secretary Marina Mohamed stated that in terms of generating foreign exchange, tourism sector has been identified as one of the most important perspectives under the development policy framework of the Sri Lankan government.

She added that tourism not only generates wealth to the countries but also it creates direct and indirect employment opportunities which would in turn be contributing to solve unemployment issues in the region.

She emphasised that Sri Lanka and the countries in South Asia are great places of tourist attraction being rich with ancient kingdoms, religious heritages and natural resources that promote eco-tourism.

The symposium, in general, focused on all important perspectives of strengthening regionalism through socioeconomic integration covering regional trade, services, aviation, education, culture, technology, tourism, environment and youth development. The event was concluded with a networking evening tea and refreshments giving an opportunity to business sector to network with government entities, international organisations and other relevant stakeholders of economic development.



Minister of Foreign Affairs Dinesh Gunawardane addressing the gathering



SAARC CCI and FCCISL President Ruwan Edirisinghe addressing the gathering



Ambassador of Afghanistan to Sri Lanka Mohammed Ashraf Haidari addressing the gathering



High Commissioner of Bangladesh to Sri Lanka M. Riaz Hamidullah addressing the gathering



Ministry of Tourism and Aviation Secretary Marina Mohamed addressing the gathering



SAARC CCI Vice President (Sri Lanka) and APTA CCI President Designate Dr. Rohitha Silva addressing the gathering

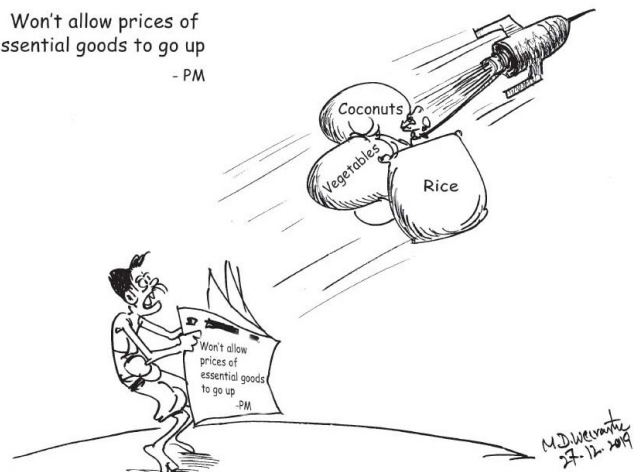
Source: Daily Ft - 30 December 2019

## Cartoons



Source: ccc-25-12-2019

Won't allow prices of essential goods to go up  
- PM

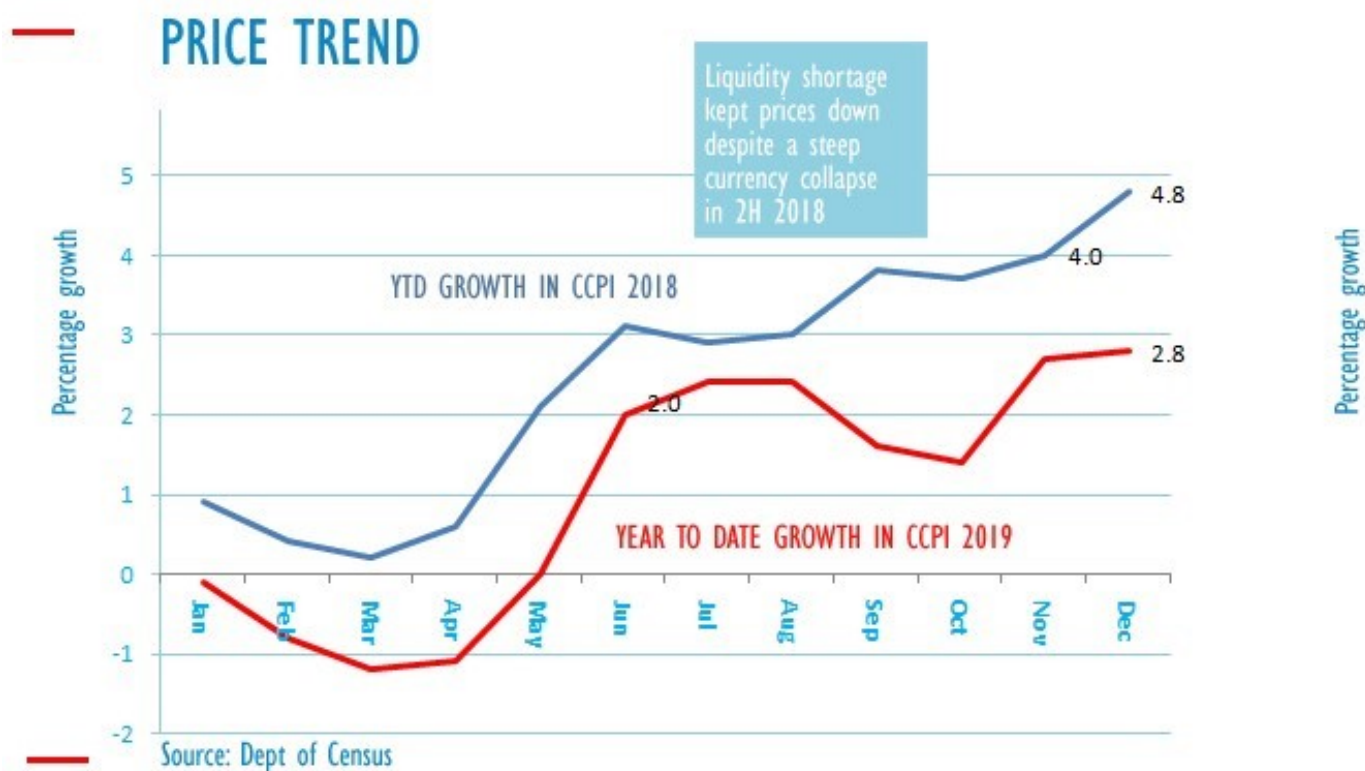


Source: ccc-27-12-2019





# Sri Lanka's inflation ends at 4.8-pct in 2019



Sri Lanka's inflation rose to 4.8 percent in the 12-months to December from 4.4 percent in November, with the index rising November with a rise in food prices, the statistics office said.

The Colombo Consumer Price Index grew to 132.4 in December from 131.7 in November.

The food sub index grew 2.4 percent in the month, with several commodities going up, ending the year up 6.3 percent.

Sri Lanka's central bank has been injecting liquidity into the money market, after a soft-pegged rupee collapsed in 2018, altering the price structure of the island.

Tight liquidity kept prices down initially, but analysts had expected prices to pick up as the credit system gradually recovered.

Tight liquidity kept prices down initially, but analysts had expected prices to pick up as the credit system gradually recovered.

Commodity prices are also gaining globally with the tightening activities of the Fed coming to an end.

In December Sri Lanka's newly elected administration has cut taxes and also frozen fuel prices.

However, retailers had maintained prices without drastic increases during and after the currency fall. (Colombo/ Dec31/2019)

Source: ECONOMYNEXT - December 31, 2019

# End of a decade

## 2009-2019

As Sri Lanka witnesses the end of a decade (2009-2019), moving forward to the next decade (2020-2030) will ensue a period of significant change and as one analyst put it, an era where the top 20 companies in the Colombo bourse are unlikely to grow in a marketable sense and would be replaced by a growing number of start-ups – if they don't embrace rapid changes in technology.

The era that is over is a reflection of a period in which flash floods, and extreme heat temperatures dominated while climate change became a buzzword but on the positive side, the conflict ended in 2009. On the dismal side however, the economy, after a few years of good growth, didn't take off while the expected foreign investment didn't happen as planned. The trade deficit grew with export earning struggling to keep pace with import costs.

On the peace and security side, many questions linger, particularly after the armed forces have been on alert after the devastating Easter Sunday bombings in April 2019.

Peace activist Jehan Perera said that the celebration of Christmas without incident and in the manner that Christians in Sri Lanka have traditionally done was a success of governance and security, and tight security keep people safe. "However, I have concerns about several matters that could potentially impact negatively upon inter-community relations with the state. The first is the president's statements that development would be prioritised in resolving the ethnic conflict and that strengthening the system of devolution of power is not going to be the answer. Second is the president's assertion that there is no problem of missing persons to be resolved and limiting it to those who fell on the battlefields of war.

The third is the assertion by government leaders that the national anthem will not be sung in Tamil at the forthcoming Independence Day celebrations. For peace and security to be enhanced in the coming decade, we need to find solutions that do not exclude what each community prioritises," he argued while adding that for instance, development requires that it meets the needs of people of each part of the country, which is better served through participation of those people in the decisions made, which is devolution.

Ajit Gunewardene, Founder and CEO of Bluestone Capital Pvt Ltd and a former Deputy Chairman at John Keells, reckons technology will play a key role in how the corporate sector progresses.

"The old school method of company valuation and of allocating funds is defunct. Private equity investment that can support losses while building scale will dominate. Private equity will be a dominant asset class in the coming decade. The public markets will be accessed only for price discovery and liquidity. In 10 years the top 20 market cap companies listed on the Colombo Stock Exchange will be companies that don't exist or are considered start-ups today. If this does not happen it means this country has stagnated and in fact is disconnected with global markets," he said. "There is no choice but to embrace technology. We live in a hyperconnected world. The source of business dominance is inexorably linked to this new reality. The ubiquitous connectivity makes for a new power. It is open, participatory and peer driven. Understanding and leveraging this will be the model to succeed," he added.

For economist Prof. Sirimal Abeyratne, the new decade provides Sri Lanka with opportunities and challenges.



Newly-appointed Central Bank Governor Prof. W.D. Lakshman addressed his first media conference on Friday. Pic by Priyanka Samaraweera.

"Growth has to be accelerated and macroeconomic issues – particularly budget deficit and trade deficit, has to be dealt with. If sluggish growth would not bounce back both budget deficit and trade deficit are likely to worsen with a further increase in debt burden. Can Sri Lanka provide a better policy and business environment which would win the investor confidence?" he asked

On the eve of a new decade, the Colombo capital market is yearning for new developments to forge ahead in the next 10 years.

In the next decade the capital market should play a role in enhancing Sri Lanka's economic developmental goals, top officials said. "In the coming years the capital market should be developed to complement the banking sector in order to propel economic development," Vajira Wijegunawardane, Director General, Securities and Exchange Commission (SEC) said. He said that the capital market should focus on creating an enabling environment to be the preferred mode of long-term fundraising for companies which in turn will help the development in the country. Ray Abeywardena, Chairman, Colombo Stock Exchange (CSE) noted that the exchange will be going ahead with new tech developments. "On the tech side we will be implementing delivery versus payment (DVP) system and getting the SEC Act passed. DVP gives more confidence to investors."

Samantha Ranatunga, former chairman of the Ceylon Chamber of Commerce, noted that for companies to survive the next decade, they need to be thinking technology not as a function but how it will transform the business model and apply to every business.

"More social, national oriented business leaders are needed to support initiatives in addressing skill gaps, education," he said.

Modernisation of the tea industry is a priority. Technology has to be introduced to the industry to add value in processing. Smart technology has a big role to play in tea production, he said, adding: "Aggressive destination marketing of Sri Lanka is necessary in tourism with a total focus on marketing on the web. The environmental angle in tourism needs much greater emphasis. This is to address the high spending tourist who is nature conscious."

Source: SUNDAY TIMES - December 29, 2019



LAKE  
HOUSE

Daily News



# LAUGFS Gas clinches Gold at CA Sri Lanka's 55th Annual Report Awards



LAUGFS Gas Team with the Awards

LAUGFS Gas PLC emerged victorious at the recently held 55th Annual Report Awards held by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), securing the coveted Gold award in the Power and Energy sector. Continuing its winning streak at this prestigious event hosted by CA Sri Lanka, this year's win marks the seventh consecutive time that LAUGFS Gas has won the Gold award in this category.

Known for being one of the pioneers in the Sri Lankan power and energy sector, LAUGFS Gas remains committed to delivering sustainable, equitable and profitable value to its customers and stakeholders through high standards of product excellence, safety, and service. LAUGFS Gas uses the internationally recognised Global Reporting Index (GRI) Sustainability Reporting Standard to develop a clear and cohesive framework that promotes effective financial reporting.

"It is an honour to be awarded the Gold Award in the 'Power and Energy' category at CA Sri Lanka's 55th Annual Report Awards. In today's world, transparency, accuracy and good governance are crucial factors in successful financial reporting. We feel humbled by this recognition as it validates the hard work and commitment put in by the LAUGFS Gas team to strengthen our commitment to delivering sustained value to our stakeholders. Having won this award for the seventh consecutive year is a testament to our journey of continuous improvement, and we are thankful to receive this coveted award in acknowledgement of our efforts," stated LAUGFS Gas PLC Director/Chief Executive Officer, Chaminda Ediriwickrama.

Having entered the local LPG industry in 2001, LAUGFS Gas has grown exponentially to power the nation with LPG solutions, as a trusted brand that is synonymous with quality and consistency. With an expansive network of over 7,800 dealers and 31 distributors throughout the country, LAUGFS Gas delivers LPG solutions that serve domestic, industrial and commercial requirements.

The nationwide sales and distribution network is supported by a modern fleet of LPG tankers and a state-of-the-art 3150 MT storage and filling facility in Mabima operated with the highest international safety standards. LAUGFS Gas PLC, a subsidiary of the diversified business conglomerate LAUGFS Holdings Ltd., was the first energy company to be listed in the Colombo Stock Exchange.

LAUGFS Holdings is one of the largest diversified business conglomerates and a trusted and well-loved home grown business in Sri Lanka. Founded in 1995, LAUGFS today has expanded across 20 industries in Sri Lanka and overseas, establishing a strong presence as a leader and pioneer in the power and energy, retail, industrial, services, leisure and logistics sectors. With 4,000 employees and an annual turnover exceeding Rs. 54 billion, LAUGFS continues to expand and empower millions as a trusted Sri Lankan brand.



LAUGFS Gas - CA Annual Report Awards

Source: Daily Ft - 20 December 2019



# NCPC launches international conference on 'Resource Efficiency and Circular Economy'



At the head table from right: NCPC Chairman Gamini Gunasekara, Austria Recycling Senior Technical Expert Markus Moller, INSEE Ecocycle Director Sanjeewa Chulakumara, MAS Kreeda Director – Sustainable Business Eranthi Premarathna, Prof. Ajith de Alwis – University of Moratuwa and NCPC CEO Eng. Samantha Kumarasena

The National Cleaner Production Centre – Sri Lanka (NCPCSL) held a media briefing on 3 December at the Organization of Professional Associations (OPA) on account of launching its first Sri Lankan conference on 'Resource Efficiency and Circular Economy'.

This international conference which will be the first of its kind to be held in Sri Lanka will take place on 21 January 2010 at Waters Edge as a full day event.

INSEE Ecocycle, the pioneering company for professional waste management, has come forward to be the platinum sponsor for the event with the aim of promoting the resource efficiency and circular economy among the local industrialists. Wijaya Products Ltd. and MAS Holdings have also joined hands with NCPC as valued sponsors for this important event.

NCPC Chairman Gamini Gunasekera explaining the purpose of the event mentioned that the NCPC is the leading agency in Sri Lanka advocating and promoting tools and techniques applicable in Circular economy during the past two decades. It has played the pioneer role in bringing the international knowledge to the country and creates an impact on ground level. NCPC has again taken up the leadership to disseminate the essential knowledge to the nation and propagate the circular economy initiatives mainly working with industries and businesses.

NCPC has initiated the first Sri Lankan conference on 'Resource Efficiency and Circular Economy' purely for the purpose of introducing these two topics to the country. Therefore, our purpose of conducting this conference is to bring these developing topics to the attention of the Sri Lankan Industrialists as well as policy makers to get them updated to face the challenges of the era.

NCPC CEO Samantha Kumarasena briefing the media explained that the circular economy includes improving the resource efficiency (mainly related to water, energy and material utilisation) throughout the value chain and resource circulation through end of life recovery, reuse and recycling.

In addition to that, the circular economy is posturing the system approach to achieve dematerialisation and shared use of resources.

He said that they were hopeful the first Sri Lankan conference on 'Resource Efficiency and Circular Economy' would create an impact among masses by passing the international knowledge and updates on this topic. That would make an eye opener and lead the industries and businesses to create novel circular economy solutions for the existing problems.

He further mentioned that the proposed one-day international conference would have a thematic session in the morning where the renowned scholar Dr. Rene Van Berkel, Head of UNIDO operations in the South Asian Region, would make the key note presentation.

In addition to that, Dr. Malini Balakrishnan and Dr. Vidya Badra from The Energy and Resource Institute (TERI) – India, Dr. Rajat Badra from Stenum Asia, Markus Moller from Austria Recycling, Austria are some of the other presenters in the conference.

In the afternoon session, there would be parallel sessions on resource efficiency and cleaner production, resource circulation, life cycle management sound chemicals management and energy management.

Registration is now open for interested parties who need to enhance their knowledge in this field. NCPC encourage local industries to participate for the event and apply resource efficiency and circular economy concept in their facilities. For registration, please contact Lakmini or Nimali at NCPC.


Source : Daily Ft - 18 December 2019






# IMPORTANT SEMINAR CONDUCTED BY CNCI



**SEMINAR ON**  
**ESSENTIAL LABOUR LAWS**  
*With New Changes*

 **17th December 2019** 9.00 am - 4.30 pm  
(Registration starts at 8.30 am)

 **Hotel Taj Samudra, Colombo 03**





**EXCHANGE RATES AS AT 31<sup>ST</sup> DECEMBER 2019**

<b>Date</b>	<b>Buy Rate (LKR)</b>	<b>Sell Rate (LKR)</b>
<b>Australian Dollar</b>	124.5813	129.7282
<b>Canadian Dollar</b>	136.7131	141.6028
<b>Swiss Franc</b>	184.4737	190.7778
<b>Renminbi</b>	25.4303	26.6102
<b>Euro</b>	200.0786	206.8858
<b>British Pound</b>	234.7037	241.9976
<b>Yen</b>	1.6426	1.7012
<b>Singapore Dollar</b>	132.7146	137.075
<b>United States Dollar</b>	179.6638	183.3345

**ECONOMIC INDICATORS AS AT 31<sup>ST</sup> DECEMBER 2019**

<b>Overview</b>	<b>Last</b>	<b>Reference</b>	<b>Previous</b>	<b>Range</b>	<b>Frequency</b>
GDP Annual Growth Rate (%)	1.6	19-Jun	3.7	0.5 : 16.12	Quarterly
Unemployment Rate (%)	4.9	19-Jun	4.7	3.7 : 16.6	Quarterly
Inflation Rate (%)	4.4	19-Nov	5.4	-0.9 : 28.3	Monthly
Interest Rate (%)	7	19-Nov	7	06:10.5	Daily
Balance of Trade (USD Million)	-758	19-Sep	-540	-1101 : -50.1	Monthly
Current Account (USD Million)	-673	19-Jun	447	-1695 : 447	Quarterly
Current Account to GDP (%)	-3	18-Dec	-2.6	-19.3 : -0.4	Yearly
Government Debt to GDP (%)	82.9	18-Dec	76.9	16.3 : 109	Yearly
Government Budget (% of GDP)	-5.3	18-Dec	-5.5	-10.2 : -5.3	Yearly
Corporate Tax Rate (%)	28	18-Dec	28	15:42	Yearly
Personal Income Tax Rate (%)	16	18-Dec	16	15:35	Yearly